



True and fair pricing

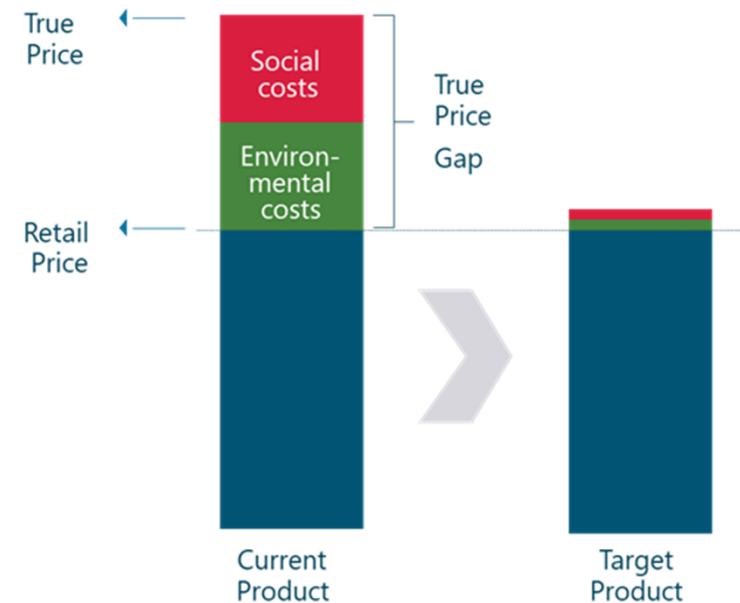
Public-Private Cooperation

April 2019



Production of food at a cost for human, social and eco-systems that are not part of the retail price

- The production of food is essential but goes hand in hand with negative impacts on human, social and ecosystems: think of carbon emission, water pollution or dangerous labour circumstances
- The costs are borne by society and production chains but not always in a desired way:
 - Part of the negative impacts are regulated by law (Nitrate; minimum wages);
 - Often sustainability costs are borne by primary producers (lack of pollinators)
- The true price gives an integral picture of the economic and sustainability costs of production and consumption of food.
- The fair price is a method to divide costs and revenues along the food supply chain



Public-Private Cooperation (PPC) to realise an international accepted open source method for true pricing with test cases

- Parties involved in the PPC like to have a international accepted method which is easy to communicate.
- Several initiatives are working on True Pricing, True cost Accounting, National Capital accounting. This asks for some harmonisation.
- We aim for an open source method of true pricing which becomes public available.
- Next to true pricing also fair pricing is part of the PPC.
- True Price, Wageningen Economic Research and Bionext together with several Dutch companies and branch organisations have made a research proposal to realise such an publicly available method for true pricing.

This PPC started in January 2019 .



Case studies on true and fair pricing give insights in several food supply chains and learnings for the method & templates

True Price



Insight in the true price of natural, social and human impacts of food chains by valuing the hidden costs



Comparison of the selected food chains with a benchmark, so producers can show their sustainability



Proposals for further improvement of production to realise a sustainable way of food production

Fair Price



Proposal for a fair division of sustainability costs and revenues. To realise a fair cooperation towards sustainable food production and consumption



Templates to support cooperation between chain participants within food supply chains

Consumer research



Proposals how information regarding true and fair pricing can be communicated with consumers to realise impact (= more sustainable consumption)



Insights into parameters for price acceptance of sustainable products.



Private parties can suggest improvements of the open source method of true pricing via the results of specific cases. Cases form the input the development of templates to improve cooperation within food supply chains.



Open method applied to specific cases to test and validate the method

- An open source method for true pricing will be developed by using a thematic approach
- Cases are used as a *proof of principle* for the application of true and fair pricing.
- Especially for fair pricing the cases are used to build templates to improve cooperation within food supply chains
- Part of results of cases are made public available because of the public funding. Next to that specific cases reports will be produced for partners of the PPC.

Deliverables



Meta studies regarding all cases to generalise results with **Proof of principle** for applying true and fair pricing



An **open source method** of true pricing



Public summaries of the results for public use

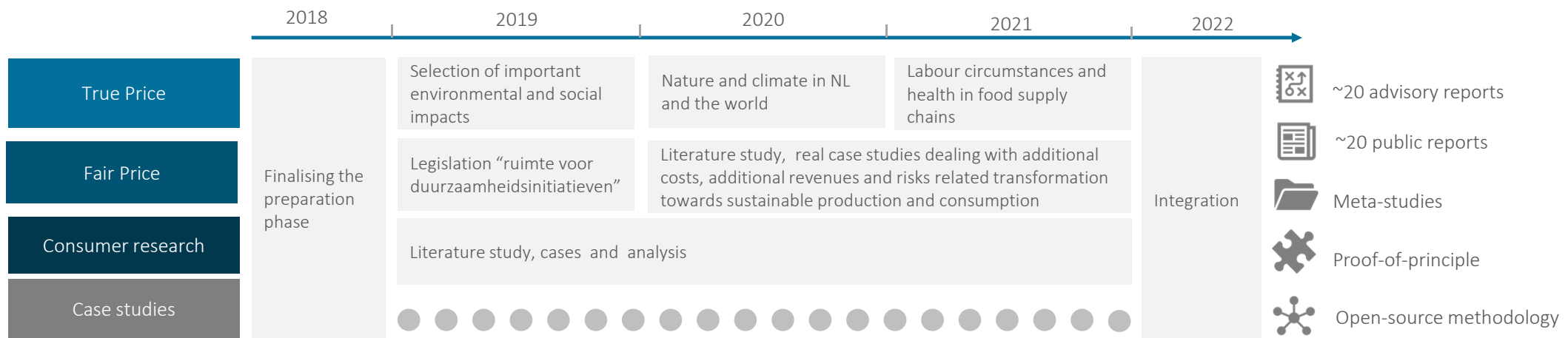


The PPC is embedded in international developments and all food supply chain stakeholders can participate

- The results of the PPC will be shared with e.g. UNEP TEEB and Natural Capital Coalition to embed the results in international context and to harmonise methods at an international level.
- At national level the activities will be tuned with other initiatives on true pricing like the 'transitiecoalitie voedsel'
- Food chain participants have shown interest in execution of case studies within the PPC



Phased implementation of the research plan 2018-2022





Contact information

Wageningen Economic Research/Coordinator PPS: Willy Baltussen
willy.baltussen@wur.nl
True Price: Adrian de Groot Ruiz
Adrian@trueprice.org
Bionext: Bavo van den Idsert
Van.den.Idsert@bionext.nl

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